THE TRUE

Commercial and Revenue Policy

OF

PENNSYLVANIA.

SPEECHES

OF THE

HON. A. K. McCLURE,

ON THE ACT FOR THE

COMMUTATION OF TONNAGE DUTIES

UPON ALL THE

INTERNAL IMPROVEMENTS

OF

THE STATE.

DELIVERED IN THE SENATE OF PENNSYLVANIA,

February 26th and 27th, 1861.

386
M13
pam

DELIVERED TUESDAY, FEBRUARY 26TH.

The first section of the bill entitled "An Act for the Commutation of Tonnage Duties" having been read,—

MR. PENNY offered an amendment providing that the Governor might restore the tax upon tonnage at any time that the Sinking Fund might need the same to pay a certain portion of the debt.

Mr. McCLURE said—The amendment now before the Senate has already been considered and rejected by the members of this body in committee of the whole. A gentleman so intelligent and so familiar with all the details of State policy can scarcely have mistaken the manifest purpose of the original section to afford the State the amplest protection. We do not propose to surrender the right to tax the Pennsylvania Railroad in any legitimate way, including a tax upon tonnage. The bill expressly provides that the State may re-impose this tax should any necessity arise for it; but it does very properly prohibit an unjust discrimination against the trade of any particular section of the Commonwealth. There is no reason why the man who ships the products of his industry to or from Pittsburgh shall pay a direct tax to the State for the privilege, while the citizens of every other section have their avenues of transportation to both our own and foreign cities free from such restrictions. There is no equality in such a system of taxation, and on no

022558

sound principles of State policy can it be justified. I doubt not that the Senator from Allegheny fully comprehends and appreciates this glaring inequality; and yet without proposing to make this tax general, so that it might fall with exact justice upon all our people, he earnestly contends for the taxation of a single route, and that one, the great artery designed to give fresh life and increased greatness to our leading commercial cities.

The time may come when the State must look for extraordinary revenue; and this bill protects the interests of the Commonwealth fully. Should such a contingency arise, then let the whole tonnage of the State pay tribute to the treasury; and however at war with an enlightened commercial policy, we will be at least just to every portion of our people. But should that dark day dawn upon us, let none other than the legitimate taxing power perform this task. I object to vesting the Executive with the dangerous authority to impose taxes by proclamation. To the Legislature, and to it alone, should that delicate power be entrusted; and as it has been wisely placed there, it must not be disturbed. Our "broad acres"—a most familiar expression—are not in danger of onerous taxation as long as we have prosperous corporate interests ever adding to their own wealth and to that of the State. A legislature coming directly from the people, will exhaust all other resources before increasing the burdens on our agriculture. Let this tax be reinstated, if ever, by the legitimate taxing power of the Commonwealth; and for this we propose to make complete provision in the bill.

While upon the floor I will allude to another point. It is urged persistently that we are about to relieve a great corporation. Such is not the purpose, nor will such be the main result of this bill. I ask that those of my constituents, and the constituents of other Senators who wish to expand the dark cloud

that rises over the manufactories of Allegheny by pouring thither the rich fruits of their capital and industry, shall not pay a direct tax for the privilege of doing so. Every ton of iron from my own immediate section of the State that seeks a market in Pittsburg, must pay from eighty cents to one dollar of a direct and arbitrary tax for the mere right of transit over our own soil. The Railroad Company does not pay it. It falls directly upon the producers whose misfortune it is to live in a particular section, while all others are entirely free. It restricts the commerce of our own State, and cripples the energies of our own people. Ohio and other Western States can pour into Pittsburg their mineral wealth and produce, free from all such taxation; but to be a citizen of Pennsylvania, and engaged in converting her vast resources, exposes one to the discrimination of our laws against our own trade. That the Senator from Allegheny should sustain a policy so fatal to the thrift of his own constituents, and so oppressive upon every one who seeks a market at his home, is truly amazing. That he should stand upon the floor of the Senate, speaking for the second city of the State, and demand that all who would add to its wealth and greatness by their trade, must pay a direct tribute if they transport upon our own soil, while every other channel is free, is strangely incompatible with his wide-spread and just reputation for liberal and enlightened views. The principle cannot be justified save as an extreme measure for revenue; and if the revenue were a necessity, it should be collected with some degree of equality from all. A single branch of industry, conducted by a few men, in a county near to this capital, pays over $25,000 annually of this tax, and for what? For the right to carry the fruits of their energy to the city of Pittsburg, there to compete with the energy of other States who reach the market without such imposition. Is this equality in taxation? Is it just? Is it a

wise policy for Pennsylvania to pursue towards her own enterprise? We have vast natural advantages. We have a population eminent for its industry and thrift—a people who have made the State mighty in defiance of her illiberal laws; but I submit whether the day has not come when they shall be permitted to develop the resources of the State without being crippled by the strong arm of the Government. Do you want revenue? If so, should it be imposed upon all branches of our industry, or should it fall with unequal and crushing harshness upon those who develop your fair fields and exhaustless mines? This is the true position; and I regret to see the distinguished Senator from Allegheny so far forget the interests of his own city and State, as to demand that a tax shall be imposed upon our internal commerce—upon that which has reared his city into greatness, and made his State an empire within herself—when in all the world beside it has been abandoned.

New York once taxed her commerce and made it pay tribute to the State for the privilege of enhancing the greatness of the Commonwealth. She said by her statutes—these are vast corporations; they have abundant means; our people must employ them, and they shall, therefore, enrich the treasury. But when Pennsylvania opened a great trunk line, piercing the teeming bounty of the West, and appeared as a competitor in the prairie marts of commerce, proposing to bring its golden fruits to a rival State, and her seaport city, New York did not hesitate as to her policy. Her legislature did not tremble lest some narrow prejudice should overthrow a small man here and there. Whenever our iron horse shrieked his wild song over the Alleghenies, New York treated it as a great question of State interest; and although her Erie Canal runs parallel with her railroads, the tax upon tonnage was promptly and unconditionally repealed. She declared at once that her internal commerce

should be free; and thus our natural advantages in distance were destroyed, and fair competition upon the part of Pennsylvania rendered impossible. Was New York right? Look at her commerce to-day, and then glance at ours. The one advances with the rapid progress of the country, the other languishes in the midst of growing greatness and multiplying wealth. And why? Pennsylvania, always her own most dangerous foe, turns upon her own energies with suicidal hands by imposing unjust discriminations upon her own people, while New York invites the wealth of the continent to her citizens by a generous policy. New York could afford to tax her own commerce while she enjoyed a monopoly in the means of transit; but in 1851, when Pennsylvania, by a through line, unsurpassed by any other in the Union, reached out for the wealth of the West, the Empire State unshackled her energies, and until now we have had an unequal struggle because of our own illiberality.

We ask to-day that it shall be stricken off upon terms amply protecting the revenue of the State, and making positive provision for the speedy payment of our crushing debt; and we are answered that we are legislating for a corporation. When great States are struggling for the commerce of a continent, and millions have been invested by our own people to make Pennsylvania second to no other State in progressive prosperity, instead of granting equality with rivals to our enterprise, Senators stand upon political or other petty prejudices, and insist that we must not cease to tax this corporation. Such an argument, if it may be so dignified, is unworthy of the representatives of an enlightened people. The Railroad never paid this tax out of its treasury. It is paid by every man who transports a barrel of flour, a sack of corn, a bushel of wheat, or a ton of iron, or any other of the products of our industry, and

it is nothing more or less than a direct tribute demanded by a State from its own citizens for the right to reach a home market. We propose not that the Railroad shall be relieved from it, but that our producers shall cease to pay it until it may become necessary, if ever, to impose it equally upon all. We require by this bill that the Railroad Company shall reduce their rates, from their present tariff, exactly the amount of this tax; and whatever may be the mutations of trade, they can never advance their charges. Who shall profit by this change —the Railroad or the people? This is the correct, the truthful view of the question of a tax upon tonnage; and no Senator has attempted to refute it. No one has ventured to say that it is a wise commercial policy to impose this tax, and especially can no Senator justify it when it is levied unequally. I appeal to the distinguished Senator from Allegheny, (Mr. PENNY,) whether this restriction is either just or wise—whether it is not a fatal discrimination against his own city, and an onerous burden upon every citizen of Pennsylvania who looks to his home for a market? I call upon him to answer whether it is not shackling our vast interests, and binding the energies of our people who must pay this tax? Look at Pennsylvania! On the North are two great trunk lines of railroad traversing the Empire State from her commercial emporium westward, tapping the rich treasures of the Lakes, and connecting also with a perfect net-work of railroads, all of which come laden with the offerings of a thousand channels of industry. These lines are all free from commercial restrictions of every kind; and the giant freight route has received liberally of the direct bounty of the Empire State to construct it. New York gave four millions to complete the Erie Railroad, and it has repaid that bounty by pouring almost countless wealth into the lap of her commerce; by rearing cities and villages and golden fields where there was but an unbroken

wilderness before, and by adding two hundred millions to the taxable property of the State.

Turn further North, and you will find that while the boasted liberal government of the world has been quibbling with corporate exterprise, England has stretched out her strong arm, and is now a most dangerous competitor for the commerce of the West. She has constructed a trunk line from Montreal along the St. Lawrence, tapping all the Lakes, and running into Detroit and Chicago, the heart of Western wealth, and she will there give you a bill of lading clear through to Liverpool. She can take the produce of the West to Montreal, thence to Portland, and thence to Boston and New York, almost if not quite for the same cost that our direct routes can carry it. Why? Because when England saw New York taxing her corporate wealth, and Pennsylvania taxing both associated wealth and tonnage, she constructed the Canada line without imposing a tax of any kind, not even upon real estate, rolling stock, bonds or anything else. Turn South of us, and the Baltimore and Ohio winds its tortuous path over the Blue Ridge and Alleghenies, and returns to the third commercial city of the Union laden with the produce of the West. No illiberal State enactment demands that it must pay tribute to the treasury of Maryland for every ton of goods it can bring within the State, or that every citizen of Maryland who developes a field or a mine, or rears a factory, shall pay taxes to the State for the privilege of going to a home market. In the centre of these competing routes stands Pennsylvania. In agricultural wealth second to none of her rival States, and greatly surpassing them in the richness and bounty of her minerals—with vast natural advantages in distance in competing for the commerce of the West, and with the second city of the Union reared on our Atlantic coast, we interpose illiberal legislation, and declare that the advantages bestowed

upon us by a beneficent Creator shall be more than wasted by an unequal tax upon the thrift of our own people. We adhere to this policy against the judgment of the civilized world, against all the interests of industrial progress, and against all the lights of experience and reason. Why does not England impose a tax upon her tonnage in Canada? Why does not New York gather millions from her two great trunk lines by a similar tax? Why does not Maryland enrich her treasury in the same way? Simply because it would be paralyzing their own energies, wasting their respective commercial advantages, and unequally taxing their own producers.

Certainly the time has come when Pennsylvania should take broad and liberal views of this question. If it were an issue affecting only the railroad corporation, proposing to relieve it and transfer the burdens to the people, I should go hand in hand with the Senator from Allegheny; I should resist the measure with all the energy and feeble power I possess. But when this tax is thrown, with glaring inequality, upon our own citizens, crippling our own energies, and making every evidence of thrift pay tribute as it passes from our mines and fields and factories to our emporium of trade, I say it is wrong, fatally wrong, to our people and to our commerce. Such is the deliberate judgment of an overwhelming majority of this Senate, and I know that many admit the wisdom of the policy who bow before narrow prejudices, and will record their votes against it. It is not for me to question the propriety of thus discharging the solemn duty of a legislator; but for myself, knowing that the measure is in accordance with the progress of the age, just, and even liberal to the State, and inaugurating the freedom of our internal commerce, and the equality of taxation, I hesitate not to vindicate it, feeling fully assured that it will stand the test of time. It is a measure that will be commended by

the intelligent judgment of all parties and all sections, when the prejudices of the day, with the men who bowed to them, shall have passed into forgetfulness. Then will our natural advantages, unrestricted by unequal laws, rapidly multiply our material wealth: Philadelphia will then receive her just reward for her liberal development of the State, as her commerce gathers the choicest fruits of our Western Empires; and our mighty Commonwealth will stand side by side with New York and Maryland, with her energies unshackled, her resources unrestricted, her home market free to all, and her growing greatness surpassing all her rivals. The people of Allegheny will then cease to tremble at the name of a corporation, when, in spite of her Senators, the expanding interests of her leading city shall be advanced by giving her the products of our own enterprise, on the same terms she receives the wealth of Ohio and other States. I am willing that her people shall judge between her confessedly able but, as I believe, prejudiced Senator and myself; and with them alone, deep-seated as may now be their prejudices, I would be content to trust the complete vindication of the vote I shall cast on this momentuous issue.

I submit, sir, whether these are not views becoming men representing a great Commonwealth. They may not suit some convictions created by local interests, or local struggles, or local hatreds; but they are just, and to justice all our prejudices must yield at last. We should remember that we are legislating for a State teeming with beauty and richness, and for a people who are pleading to their local and general governments for the privilege of developing our greatness. They ask that when their industry has made a new field to bloom, or a new mine to give forth its wealth, they shall have the right of transit over their own thoroughfare to their home market, without an arbitrary and, at times, a prohibitory tax being imposed on them.

But the Senator from Allegheny answers practically:—"I represent the second commercial city of the State—my constituents want the fruits of your energy to enrich them; but, while to the citizens of other States our capitalists have opened free avenues of transportation, every Pennsylvanian must pay an unequal tribute before he enters there."

[The question was then further discussed, in opposition to the bill, by Messrs. PENNY, MOTT and BOUND.]

Mr. MCCLURE—Perhaps a word of explanation is due to myself, as well as a word of admonition to the Senator from Northumberland, (Mr. BOUND.) It is charged by that impetuous Senator, that this principle of unrestrained commerce is but an invention to plunder the State, and impose new burdens upon the people. He seems to have brought to the Senate all the ardor, and only too much of the recklessness, of the stump; and when he sweeps such indiscriminate denunciation upon all who happen to be more liberal than himself, I think it well to remind him how harshly his own words will sound when he sees the full extent of their aim. I beg to remind him that the removal of the tax upon tonnage is not a novel doctrine. It is taught by every State to-day but our own, and it has been urged upon Pennsylvania by many of our best men. I remember, sir, that six years ago, there was a man presiding over the destinies of this Commonwealth, confessedly pure in purpose, irreproachably honest in all his acts, and a man whose wise statesmanship and intimate familiarity with all questions of State policy, made him second to none in our Commonwealth. Under his administration a bill was passed for the sale of the main line of our public improvements, to which he gave his prompt and cordial approval. When, in pursuance of the law, he exposed the main line to sale, one of the Canal Commissioners, slow to surrender so rich a channel of peculation, had

tested the constitutionality of the act, and one of its sections had been declared unconstitutional. That section repealed the tax upon tonnage in case the Pennsylvania Railroad Company became the purchaser, at one and a half millions more than the maximum price to other purchasers. To this the Supreme Court did not interpose any objection; but the section went so far as to release the Railroad Company from all taxes upon its property for State purposes, and on this point the section was declared null and void, and I think very properly. The works were then offered for sale by the Executive without the right to release any taxes under the bill, and the Railroad Company refused to become the purchaser. It was well known that no man, or association of men, except the Pennsylvania Railroad Company, could or would buy the main line for $7,500,000. The Executive, therefore, gave his pledge to the Company that if it should become the purchaser of the main line, and thus arrest the plundering of our treasury by a swarm of vampires under the Canal Board, he should give the force of his official position in favor of the repeal of the tonnage tax, inasmuch as by the sale of our improvements the necessity that created it would cease. I refer to Hon. James Pollock, the preceptor and law-partner of the youthful Senator from Northumberland. True to that pledge, Gov. Pollock strongly urged the removal of the tonnage tax, in his next annual message, and he took precisely the same view of the question that I have taken to-night—a view which every man who claims to have a liberal and enlightened appreciation of the interests of Pennsylvania should take to-day, and which in a few years the Senator from Northumberland would blush to dispute. I read from Gov. Pollock's annual message of January 6, 1858:

"The law incorporating the Pennsylvania Railroad Company, imposed a tax of three mills per ton per mile on all tonnage passing over that road, as an equivalent for any decrease in the revenues of the Commonwealth that might arise from the anticipated competition of the road with the business of the main line of the public improvements. This tax is not imposed upon the Company, but upon the tonnage, and is paid by the owners of the freight transported over the road, the Company acting as agents in its collection and payment to the State. It is virtually a tax upon the trade and commerce of the Commonwealth, and upon the commerce of other States whose productions seek an eastern market over this road; and thus, by increasing the rate of charges and the cost of transportation, the produce of the West is forced upon the competing railroads of other States, and to other markets than our own. The necessity that required this tax, as regards the Commonwealth and her improvements, has ceased. Its continuance can only be justified as a revenue measure. It should be the policy of the State to invite the transmission of the products of other States through her territory, to her own markets; and, therefore, the propriety of relieving the trade and business of the Commonwealth and country from this tax upon it, is respectfully submitted for your consideration."

Thus did he redeem his plighted faith to the purchaser of the main line. True, he was in advance of the sentiment of the State, or rather, he arose above the prejudices of a large portion of the people; but because he proposed an enlightened and just policy, was it said that he was the creature of a corporation, or a tool of the lobby? I regret that the Senator from Northumberland has not profited by the precepts of one who, in all kindness permit me to say, was competent to advise him—

competent also to teach him that men are not to be arraigned as faithless to the State because they choose to advance while he prefers to stand still. Gov. POLLOCK did not adopt his views hastily. He did so after mature deliberation, and his faith to the purchaser of the public works was but the offspring of a settled conviction that the reasons for imposing the tax had ceased; that it was an unequal and onerous restriction upon our own people; that it was a tax upon our own commerce, and a discrimination in favor of rival States and rival cities; and he asked that Pennsylvania should cease to paralyze herself—should withhold her strong arm from suicidal blows upon her own industry.

Equally fallacious is the assumption of the Senator from Northumberland, that the Company is to pocket the accrued tax. It has been collected wrongfully, and after the State had enacted its repeal. The Company have litigated it, and it is still in litigation; and as to the tax on through freight, I think it clearly unconstitutional. The Company does not propose to put it into its own coffers. The bill before us appropriates it to the completion of certain railroads leading to the main line of the road, and I think very properly. It proposes to refund it to the very people who have paid it, by opening new channels for the development of their wealth. This money has been taken from them unjustly, after the faith of the State was virtually given that it should cease; and it can be returned to them in no way so equally and justly as by opening new avenues of transportation, which enhance the general prosperity of the whole community.

Sir, as I have before said in the course of the debate this evening, there are not five Senators on this floor who pretend to justify a tax upon tonnage. I put the question directly to the senior Senator from Allegheny, (Mr. PENNY,) whether it is

not an unwise and illiberal policy, and he has not ventured to answer. Indeed, this main point, the very heart of the issue, has been studiously evaded by the Senators who resist the repeal. They threaten us with a depleted treasury and increased taxes, evidently unmindful of the fact that since the sale of the main line in 1857 we have had no revenue whatever from this tax—for its payment has been resisted on legal grounds—and yet we have never before in the same time paid half so much of the State debt, and our State taxes have been reduced to two and a half mills.

The sale of the main line was resisted by the same arguments we have heard to-night. Impending ruin was pictured with all the zeal of the Senator from Northumberland; but what does the history of four years teach? The man now who should propose to restore the improvements to the State, and have a Canal Board, with its horde of plunderers running riot on them, would be regarded as insane. The name of Gov. POLLOCK will be cherished by our tax-payers as one of the State's noblest benefactors for disposing of those works; and when the full faith of that measure shall reach fruition, by removing the unjust restrictions upon our commerce and our industry, Pennsylvania will stand forth among the States of the Confederacy with her mighty energies unshackled, second to none in greatness, and surpassing all in internal wealth and substantial prosperity.

DELIVERED WEDNESDAY, FEBRUARY 27TH, 1861.

The Senator from Berks (MR. CLYMER) has certainly achieved a brilliant success in greatly astounding himself; and I risk little in saying that he should be prepared for another sensation when he shall discover how seriously and how strangely he has erred. I do not mean that he has erred in any matters of theory, or of judgment, or of State policy—for such errors I was fully prepared, and meant to excuse them; but when so learned a Senator as the gentleman from Berks defies stubborn facts and the simplest rules of arithmetic, I scarcely know how, even in charity, to reconcile his remarks with his claims to frankness and intelligence. I believe that he meant to fight this bill fairly. I do not question the sincerity of his convictions in resisting this measure; but he has manifestly studied the question—his array of tables and calculations, so often appealed to in support of his position, gives evidence that he has exhausted his mathematics to swell the tide of ruin that is to overwhelm us when the bill shall become a law. It is but fair, therefore, on a question so momentous in its results, to hold him to a strict accountability for his startling declarations; and I shall leave to him the task of explaining how he has reared for himself such a frightful monument of blunders.

He seems to have resolved upon the sensation style of oratory

—a style perhaps well adapted to his clarion voice and his admiring constituents when clustered around the hustings—but the Pennsylvania Senate owes higher and holier duties to a Commonwealth than tickling antiquated fancies or resisting true and enlightened progress by perverting facts and figures. He was most unfortunate in his very starting point. I was amazed at his positive declaration that we had sacrificed millions of revenue by the construction of the Pennsylvania Railroad, and was lost in wonder as to where he meant to rest a pretext for the assumption. At last the explanation came, and the right of way of the Baltimore and Ohio Railroad through a portion of our State westward was the canvas on which the thrilling picture of wrong to Pennsylvania was painted. And what is it when reduced to simple, unvarnished truth? As the first legislation was had before I was born, the Senator from Berks will excuse any want of details; but the main facts are few and easily understood. In 1827 the Legislature of this State granted the Baltimore and Ohio Railroad the right of way over our soil; and as it was the corporation of a rival State, aiming to build up a rival commercial city, a tax was imposed, by the terms of the charter, upon its tonnage, and perhaps upon its passengers. This would doubtless have been a fruitful source of revenue to our treasury, but for the simple fact that the corporators or stockholders declined to accept it. But how the Pennsylvania Railroad Company, then nearly a quarter of a century in the future and unthought of by any one, is now to be held responsible for that loss, will certainly be difficult of satisfactory explanation. It is true that in later years the charter was renewed to the Baltimore and Ohio, and it is also true that when the Central Road was incorporated it was enacted that if a certain portion of the Central route should be completed within a given time, the right of way for the Maryland Road would then cease. But

the Senator from Berks cannot be ignorant of the fact that since the construction of the Pennsylvania Railroad, the Legislature has chartered a Company to occupy precisely the same route as that asked for by the Baltimore and Ohio, leading directly through a portion of our State into Baltimore, without imposing a farthing of tax either upon tonnage or passengers, and the corporation is bankrupt, and the road has never been made. This is the brilliant revenue scheme that has been blasted, according to the theory of the Senator from Berks—a road that no one will build, whose stock is valueless, and whose bonds are worthless. I need hardly say that I refer to the Connellsville Road.

Mr. CLYMER—Do I understand the Senator to say that in the act incorporating the Baltimore and Ohio Railroad, or giving it the right of way, there was no tonnage tax imposed? Do I understand him to say further that there was no tax upon passengers?

Mr. MCCLURE—I certainly said no such thing. I stated, I think distinctly, that a charter was given, and a tax imposed upon tonnage, and it may be upon passengers; but the people of Baltimore never accepted it. They were too wise—they looked too carefully to the interests of their commercial city, thus to trammel the trade that entered their sea-port; and, in after years, when our own Legislature re-chartered the same route to a Pennsylvania company, to carry the produce of our own people to a foreign city, no tax of any kind was imposed. I trust the gentleman understands me now. His grand revenue bubble has been pierced, and it wastes into nothingness. The untold millions of revenue which he insisted we had bargained away, in order to construct the Pennsylvania Railroad, proves to be the offerings of a road that Baltimore twice refused to make, and Pennsylvania still refuses to make, and that has

given bankruptcy to all who attempted to bring it into life, although it is free from all restrictions upon tonnage and travel.

Let me here suggest to the Senator from Berks how his eloquence might have appealed to this Senate with all the power of justice. Relying upon his premises as harmonizing with a correct State policy, he should have gone farther than merely to demand that the transporters on the Pennsylvania Railroad shall pay a tax to the State. I can appreciate his flattering encomiums, lavished upon his own immediate constituents. I concede even that they might raise their hands and thank God that they are not as other men—that they are not radical, reckless innovators. But when we come to the question of taxation, looking to that equality that is due from the government to every class and section of our people, I cannot understand why a ton of goods must pay a tax when it passes through Lancaster to Philadelphia, and why it must go free if it passes through the County of Berks. Upon this point the Senator was strangely remiss. In his almost frantic energy in advocating a tax upon tonnage, he should not have forgotten that equal and exact justice to all, in imposing the burdens of the State, is one of the first duties of the Legislature. When he leaves his beautiful City of Reading for the commercial emporium of the Commonwealth, he passes over a road, running through the fruitful farms of his constituents, that has a capital considerably greater than that of the monster corporation that has thrown him into such violent paroxysms on this floor to-night; that pays less than one-third the ordinary taxes to the treasury paid by the Central Road; and yet it has never paid a farthing of tax upon its tonnage. Can he inform this Senate why the farmer, factor, or miner, who lives in the interior or western part of the State, along the Pennsylvania Railroad, must pay a tribute to

the treasury for the right to reach a home market, while the farmer, factor, or miner, of Lebanon, Berks, Schuylkill, &c., are untaxed? Suppose that we should, to-day, impose a tax upon the tonnage of the Reading Road, upon the more than two millions of tons of coal it annually carries to market, as well as the rich harvests of the farms, and the fruits of the furnaces and factories, which have no other channel for transportation. In the present depressed condition of our industry it would beggar a thousand homes, and paralyse countless energy and capital. If we should adopt the policy of the Senator from Berks, he surely could not resist its general application; and if we were to impose this tax upon the industry of his own people, he could not return to his constituents. Yet, what answer could he make to their lamentations? He could only say that he advocated the doctrine of taxing the energies of the people of the State, and that the State had accepted his theory—that it had not wronged his people, but had been just to them. Do I err in this? If I had digged a pit and fallen into it on this question, by appealing to the passions or prejudices of my own people, I should, I think, at least be silent when one portion of the State asks merely to be placed upon terms of equality with those I represent; or if silence would not answer, I would say boldly—tax my own constituents, tax all, for all should pay alike. Is the Senator from Berks prepared for this? If so, he is consistent, and he should to-morrow bring in a bill to tax the thrift and sinews of his admired and admiring constituents. If he is not prepared for such a law, how in the name of justice can he demand that this unequal restriction shall be imposed upon others? Nor does the force of his argument end here. We not only tax the tonnage of our own farms and mines transported to or from any point between Harrisburg and Pittsburg, while all our other lines leading to Philadelphia are free; but we have

opened a direct route to New York from this place, over which our produce can be carried free to a rival city, while it is taxed if it goes through Lancaster to our own great emporium of trade. Is this just to Philadelphia? Is it just to our own producers? Is it just to the State? The tax upon tonnage is either right and should be universal, or it is not right and should be abandoned. Especially should we not discriminate against lines leading to our own city, or in other words make our trade to a foreign city free, while it is taxed when it comes to enrich our own State and people. Can the Senator from Berks, representing as he does a constituency that has free transportation, reconcile his opposition to this bill with that golden rule that bids him do unto others as he would have them do unto him?

I must here refer, in plain, practical terms, to a point that has elicited the bitterest denunciation from the Senator from Berks. He insists that we will diminish the revenues of the State by commuting the tonnage tax. Our revenues would certainly be greater with such a tax than without it, and if imposed equally upon Berks and Dauphin, Franklin and Westmoreland, would be much greater still. But it must be remembered that we have had no revenue from this source for three years, and the State was never more prosperous. It is, therefore, not now a necessity; and we provide in this bill that if it shall ever become a necessity, it must be reinstated on the Pennsylvania Railroad, and be also levied upon the Reading and other roads. Then it will be just, however unwise may be the policy. But the great issue is above the question of revenue. Shall Pennsylvania be paralyzed in her energies in a great struggle for the wealth of a continent, by unequal taxes imposed upon her own capital, her own energy, her own industry? Shall she stand still while all the world moves on?

Shall she be as a giant, bound hand and foot, while on every side of us the liberal teachings of experience have given new impulses to every tide of wealth, and enlightened legislation has gathered to rival commercial marts around us that which a beneficent God marked on this great map of nature as the tribute of our Western Empires to Pennsylvania? It may, in time, effect a million of direct revenue, or ten millions if you please, while, in the same period, its removal will enrich our commerce, and our producers of every kind, and add scores of millions to the taxable wealth of the State. The construction of the Pennsylvania Railroad has, in ten years, added fifty millions to our taxable property along its line; and, in addition, it pays in legitimate taxes, independent of tonnage duties, what is the interest of nearly two millions of our debt. For this it is treated as a monster and a curse. It pays more direct taxes for State purposes in ten years than the whole County of Berks has paid in the last century. Still it is to be regarded as a mere beast of burden to the State, while every other railroad is incorporated on the principles now recognised by all other States, and all other enlightened nations. If it be for revenue, remember it is thrown directly upon the strong arms of your own sons, who make your forests wave with golden harvests—your mountains yield up their exhaustless riches—who start the hum of your spindles, and the rude music of your forges—who rear your schools and churches, and scatter, in wild profusion, the beauty and bounty of progressive civilization. And it falls upon them unequally, and therein, at least, unjustly. It falls upon them, too, not for their own benefit, but for the benefit of the competing energy of rival cities—of rival States—of rival thoroughfares.

The Senator from Berks is also mistaken in the assumption that the Pennsylvania Railroad gains a million and a half by

this bill over the bill of 1857 for the sale of the main line. Just the reverse is the truth. By the Act of 1857, the Railroad was to be released from all taxes upon tonnage, and also from State taxes on all its property perpetually, in consideration of the payment of one and a half millions additional for the main line. Under this bill it pays, as the Senator from Berks admits by his own multiplication table, more than the amount it owes for the main line with interest, and pays it, too, in a much shorter time than its contract with the State demands; and he overlooks the very important fact that in addition to that, they pay annually, for all time to come, the regular rates of tax upon all their property, which now amount to the interest of near two millions of their bonds. We have thus a certain and steadily increasing revenue from the taxes of this corporation, in addition to its payments to the State for thirty years under the provisions of this bill.

Another fatal blunder of the Senator from Berks—and perhaps the least excusable of all—is his assumption that the construction of the Railroad destroyed the value of our main line of improvements. He based a considerable portion of his argument on this point, and pressed it upon the Senate with almost startling earnestness. I cannot think that he is utterly indifferent to the truth of his assumptions; but when the facts on this important feature of his comedy of errors are of such easy access—when the figures are on the shelves of this Hall—how are such mistakes, going to the very heart of his argument, to be explained? So far from the Railroad destroying the main line of our public works, their revenue steadily increased from year to year after the Railroad was built. The Railroad brought to our State millions of produce that otherwise would have sought rival channels of trade, new sources of trade were created along the line, and all of it had to

pass over the Columbia Road as it hurried onward to build up our own commerce. Look at the records, and the eloquence of the Senator is forgotton in his want of intelligence.

But when all argument is answered, we are met with the allegation that it is a solemn contract. They tell us that it is so denominated in the bond, and although it takes our life-blood, it must be paid. Pray, who made the contract and what is its history? The bill incorporating the Pennsylvania Railroad Company was thrown upon our Legislature as a measure of protection to our State, in the midst of the movements of rival cities to tap our commerce. It was not the child of favor even with many of our commercial people, and had the State imposed twenty mills it would have occasioned little or no concern. In accordance with the illiberal spirit that has so long and so fatally characterized our legislative policy, a tax of five mills per ton was levied upon its tonnage. When the road was built, and its great sources of wealth to Pennsylvania were foreshadowed, the tax was found to be destructive of its usefulness and prosperity. The Legislature was compelled to recede a step, and the tax was reduced from five to three mills. But even that amount was a positive prohibition upon certain articles; and it was not until our coal dealers found Philadelphia and Harrisburg lighted by gas made from foreign coal, that the suicidal policy of the Legislature was clearly manifested. A tax of three mills per ton per mile on coal and lumber was absolutely prohibitory; and Virginia and Europe took possession of our coal markets, while untold millions slumbered in our mines, and our own people were pleading for the privilege to develop them. Again the Legislature had to recede, and the tax upon coal and lumber was repealed, and millions of tons have found a market since, to the exclusion of foreign competitors. The same inexorable laws of trade which demanded the abandonment

of the policy of taxing tonnage on certain articles, applied with equal force to every ton of produce of every kind; and in 1857 the Legislature again receded and repealed the tax absolutely. But for the unfortunate mistake of the Legislature in proposing to receive a bonus of a million and a half for the release of all taxes of every kind, Pennsylvania would now be surpassing both New York and Maryland in every element of commercial progress and advancing industry. New York had set the example by unconditionally repealing all taxes upon tonnage, as soon as Pennsylvania aroused from her slumbers and stretched her iron bands over the Alleghenies to compete for the wealth of the West, and Pennsylvania could hesitate to follow only at her peril. She has hesitated long, and has suffered immeasurably therefor. We bowed to imperative State necessity in reducing this tax, again in repealing it on certain of our own products, and again in repealing it absolutely; and now, in obedience to the same imperious rule, we must recede from it again, or the wealth of a liberal age will recede from us. The time has come when, in justice to our State and its energies, we must declare that here, as in all the world beside, internal commerce must be free.

Sir, I had not intended, and did not rise to debate this question in detail. It seemed to be necessary that the misstatements made with such apparent earnestness and positiveness should be corrected, lest men here and elsewhere might be misled into condemning a measure the wisdom of which will be undisputed in less than a Senatorial term. By this bill we make positive provision for the payment of our State debt, and under our amended Constitution no future Legislature can divert the means we are now about to provide. The payments, with the ordinary resources of the Sinking Fund, will entirely cancel the debt in a quarter of a century; and in five years our State

taxes can be reduced nearly if not quite one-half. We propose also to afford protection to the people of Pennsylvania by requiring the Railroad Company to reduce its tariff for local freights, so as to destroy the present unfair, but perhaps until now unavoidable, discrimination against our home trade. We require that this tax shall be released to the people—not to the Corporation—by compelling a reduction of freights to the exact amount of the tax; and the right to reimpose it is reserved, with the obviously just condition that, if ever re-instated, it shall visit its blessings upon the people of Berks as well as upon the people of the interior and western counties.

And when this struggle shall have been ended, and this last relic of fatalism to our varied interests be blotted from our statutes, pray who will not rejoice? Turn to Philadelphia, the second commercial and the first manufacturing city of the Union. Eleven millions of her capital are embraced in the thirty millions required to build the Pennsylvania Railroad. They constructed this great artery of trade, scattering wealth profusely on every side as it progressed—rearing towns as if by magic, and adding to the value of every acre of soil to which it opens an avenue of transportation. They have reduced the cost of transit nearly one-half, and we now mean to reduce it still more; and although millions of taxable property have been added to the Commonwealth to enrich its treasury, we interpose an arbitrary, unequal statute, and repel the wealth of other States. It can go to New York, it can go to Baltimore, it can pass through the British possessions to a foreign market, without any restrictions whatever; but when it enters Pennsylvania it has passed the bounds of liberal ideas. The next generation will be amazed when reminded of the earnest struggle in the highest legislative tribunal of the State to-night on this question. They may be told that while none—no not one—ventured to defend the pol-

icy of taxing tonnage, yet a large minority voted steadily in favor of it because they feared they should not be sustained. They have created and cherished prejudices amongst their constituents, in their petty contests with petty men, and they fear to be just to a mighty Commonwealth, lest new men should supplant them for the crime of being right rather than consistent. Sir, it is humiliating to witness this yielding of grave legislators to error. The Senator from Berks should remember that he is not to legislate merely for to-day; that he is called upon to act on questions which must tell upon the prosperity of the State when he and I shall have passed away. He may have to combat the prejudices of the ignorant and the schemes of the reckless; but the true test of a public measure by which a sworn legislator should be guided, is its inherent justice—its proffered blessings to the people who have confided their interests in our hands. The sculptor of old who was employed to prepare a statue for the pinnacle of a temple, brought it before the people and they jeered and derided him as they stood face to face to the ungainly, ill-shaped form. But he had not chiseled it to stand before them; and as he raised it to its place, and distance gave it beauty and symmetry, it extorted the unmingled applause of the multitude. Sir, it is only too true that this question, confessedly right, braves prejudices in some sections which time alone can dispel. However priceless its fruits, there are those who will not understand it; but I prefer not to be one who shall shape the statue so that when placed above the fatal prejudices of the day, it will prove unsightly and ill-proportioned because it was fashioned to make the world stand still. I submit to Senators whether this issue is not the inevitable policy of the State? whether it will not stand the searching test of time and experience? If it be so, let no man who has sworn to discharge his duty be faithless to his convictions.

Brave, true men, seldom fall, while the timid, time-serving pass away with the error that flung them into life. The constituents of the Senator from Berks hesitate long and move slowly to accept any departure from the policy of their fathers; but the man who leads them to liberal progress will deserve well of them and of the State. Pennsylvania turns to-day with pride to the men who were in advance of their time. Go to our national capital and you will see a man who has reached the age allotted to mortals, wending his way to his seat in the House of Representatives. His eye is undimmed, and his heart still strong in its fidelity to his convictions. His race is well nigh run, and he shall soon be gathered to the city of the silent, unwept it may be by a single kinsman within our borders. He may have erred in his political policy, but when all his real or imaginary errors shall have been forgotten, his memory will be cherished, as is that of Gov. WOLF now, by every philanthropist and patriot, for giving to Pennsylvania, in advance of her prejudices, a beneficent system of universal education. Every village or rural school, where the humble and the opulent can alike have trained the immortal minds committed to their care, is a monument as enduring as the hills to the wisdom of THADDEUS STEVENS and his coadjutors, who braved the prejudices of their day, looking to the intelligence of our people for the safety and greatness of the government. It may have cost him success, if you please; it may have driven him from power, as Berks and other counties from year to year reared the banners of "no free schools," and protested in these Halls against being compelled to educate their own sons—the future guardians of our free institutions; but to truth belong the eternal years of God, and even Berks now blesses the policy of the friendless New England adventurer. He is to-day the Representative of the leading county of the East, chosen by a unanimous vote;

standing confessedly at the head of his delegation, and second to but few if any in enduring national fame. Where are those who fought the battles against him, and triumphed on the tide of prejudice? Forgotten? Certainly unknown, save to be marked as the lingering relics of popular ignorance. It is so of those who gave us public improvements. They cost the State some good men, and gave it many very bad men; and although their management may be blotted with infamy, and their history be but an unbroken record of peculation and wrong, yet they have given us advancement—they have given us hundreds of millions of wealth, and opened up for our great State its present glory. Is this not the truth of history? And has the time not come, in this noon-tide of the nineteenth century, when a Pennsylvania Senate can rise above unfounded prejudice, and move onward with the liberal progress of the world around us? If we would do so, we must make our internal commerce free; we must unshackle our own producers; we must invite, by an enlightened policy, the rich offerings of the industry of every State that seeks the sea-board, and let it build up our cities—give new vigor to our commerce, and new energy and increased prosperity to our people.

3 0112 105220427